



DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

WASHINGTON, D.C. 20350-1000

SECNAVINST 4380.7A

ONR 00SB

18 December 1996

SECNAV INSTRUCTION 4380.7A

From: Secretary of the Navy

Subj: IMPLEMENTATION OF THE DEPARTMENT OF THE NAVY (DON)
SMALL BUSINESS INNOVATION RESEARCH (SBIR) PROGRAM

Ref: (a) Public Law 97-219, as reauthorized by Public Law 102-564
(b) SECNAVINST 5430.20D (NOTAL)
(c) SECNAVINST 4380.8A (NOTAL)
(d) Small Business Administration Policy Directive:
SBIR Program, effective 26 Jan 93

1. Purpose. To describe the DON SBIR Program and assign certain responsibilities relating to the implementation of the DON SBIR Program. This instruction is substantially revised and should be reviewed in its entirety.

2. Cancellation. SECNAVINST 4380.7 and form NAVSO 4380-1.

3. Applicability. Applies to the Department of the Navy.

4. Definitions

a. SBIR Program

(1) A three-phased acquisition program implemented under reference (a) to:

(a) stimulate technological innovation;

(b) strengthen the role of small business concerns in meeting federal research and development needs;

(c) increase private sector commercialization of innovation derived from federally sponsored research and development activities; and



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(d) foster and encourage participation of woman-owned small business concerns and socially and economically disadvantaged business concerns in technological innovation.

(2) Phase I. The process for this phase consists of solicitation, evaluation, and contract award for effort to determine the scientific or technical merit and feasibility of solutions for DON-identified work requirements. This phase will typically be 1 half-person year effort over a period not to exceed 6 months usually on a firm-fixed price contract basis.

(3) Phase II. This phase normally includes follow-on prototype development utilizing the results of the analysis delivered under Phase I. The Phase II award decision requires consideration of the proposal's commercial potential. Contract effort under this phase will typically cover 2 person-years to 5 person-years over a period not to exceed 2 years, subject to negotiations, usually on a cost-plus-fixed-fee contract basis. Only those firms that have successfully completed Phase I contract efforts are eligible for consideration for Phase II awards.

(4) Phase III. Known as the "commercialization phase," this phase involves continuing effort to develop the Phase II technology into a commercial item or proceeding directly to actual production. This phase is non-SBIR funded. Phase III awards are not restricted by monetary values or number of Phase III awards and may be awarded even after time has elapsed since Phase II completion. Where applicable, under reference (a), a Phase III contract may be awarded as a follow-on to a Phase II award recipient.

b. SBIR Program Manager. Within the responsibilities of the Chief of Naval Research (CNR) as described by reference (b), the official appointed by the CNR who is responsible for the Departmental-level management of the DON SBIR Program.

c. Administering Offices (AO). The major claimants for DON research, development, test and evaluation (RDT&E) funds.

d. Sub-Administering Offices (Sub-AO). DON offices, other than AOs, as identified by the SBIR program manager.

e. Associate Director of Small Business. The official appointed at each Contracting Activity pursuant to reference (c).

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f. Office of Small and Disadvantaged Business Utilization (OSADBU), Office of the Secretary of the Navy. The DON office established under reference (c) responsible for overall management of the DON Small and Disadvantaged Business Utilization Program.

5. DON SBIR Program Funding

a. DON SBIR Program contract funds result from an assessment of extramural RDT&E Appropriation Categories 6.1 through 6.7. SBIR fund reprogramming is at the discretion of the DON SBIR program manager.

b. The costs for SBIR Program administrative support shall be covered by non-SBIR funding.

6. Description of Primary DON SBIR Program Tasks. Under references (a), (c), and (d), DON will perform the following SBIR Program tasks:

a. Establish topics within DOD Key Technology or DON Science Areas, normally relating to Departmental mission requirements, having commercial potential, for inclusion in DOD-wide SBIR Program solicitations.

b. Evaluate proposals on DON topics received under DOD-wide solicitations pursuant to existing acquisition procedures and the evaluation criteria established in the solicitations, and award Phase I, Phase II, and Phase III contracts, as appropriate.

c. Monitor technical progress and administer DON SBIR contracts, or, as appropriate, delegate contract administration functions to another department or agency.

d. Assure payment to SBIR contractors in accordance with contract terms and/or individual funding agreements.

e. Establish and implement an SBIR reporting system to provide DON program status reports to the Office of the Secretary of Defense, the Small Business Administration, the Office of Science and Technology, and the Congress of the United States.

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7. Responsibilities

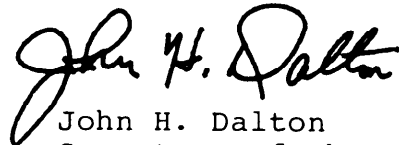
a. The SBIR Program Manager shall manage, pursuant to statutory, regulatory, and other official program determinants, the DON SBIR Program, including program policy, planning, funding, contracting, administration, and reporting activities.

b. The AOs shall, within SBIR budget parameters, recommend SBIR topics, evaluate proposals, award and administer (except where this function is delegated to another agency) SBIR contracts, provide, where necessary, supplemental review of Sub-AOs SBIR contract award recommendations, and provide SBIR data to the DON SBIR program manager, as requested. As feasible, utilizing authorized contracting procedures, the AOs will establish a process for awarding Phase I contracts within 4 months and Phase II contracts within 6 months of proposal receipt deadlines. Phase I contracts should include provisions concerning preparation of Phase II proposals. Officials will be designated at each AO who will be primarily responsible for the activity's SBIR Program functions.

c. The Sub-AOs will assist the AOs to perform SBIR-related implementation. Officials will be designated at each Sub-AO who will be primarily responsible for the activity's SBIR Program functions.

d. The associate directors of small business will foster and encourage SBIR Program participation by women-owned small business concerns and socially and economically disadvantaged small business concerns, and assist and advise contracting and program personnel regarding SBIR Program-related regulatory, policy, and directive requirements.

e. The OSADBU will encourage, through the DON SADB Program network, inclusion of SBIR Program considerations in normal outreach and counseling programs.



John H. Dalton
Secretary of the Navy

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